



WESTERN APPRAISAL & INVESTMENT COMPANY, INC.

P.O. BOX 2050, TWIN FALLS, IDAHO 83303-2050

GARY W. KOUTNIK, MAI, ARA, SRPA

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Item # 3
RECEIVED

SEP 24 2007

OCCUPATIONAL LICENSES

September 18, 2007

Paul Morgan, Idaho Falls - Chair
Patricia Lentz, Ketchum
Ed Morse, Hayden
Stanley Moe, Coeur d'Alene
Rick Bachmeier, Meridian
Idaho Real Estate Appraiser Board

Re: Recertification and continuing education.

Dear Board Members:

I am a founding member of your board so controversy and unhappiness by credentialed members of Idaho's appraisal community is something that I am very much familiar with. With that said, I really believe you need to revisit the approach that is in place for addressing continuing education and for verifying that education.

First, the annual recertification policy is patently anti-education. I attend these offerings and to an individual, the only reason anyone is there is to obtain continuing education hours—not to learn. Think about it. The hours only count for the year, there is typically only seven hours granted—creating resentment for the fact that 21 hours is the real requirement, not 15, and the reluctance to take a 30 or 40 hour intense course is palpable. Who would attend a more comprehensive class when only 15 hours will count per year towards CE. Don't you see what the annual policy is doing? The board upon which I served had a three year cycle and this worked well. People were encouraged to take educational offerings that spanned several days—not several hours as the current policy does. Don't we want smarter, better educated appraisers? Or do we just want appraisers who take senseless seminars over and over again and again to meet a one year CE cycle? I can't understand why this policy was changed. In any event, the recertification policy in place is flawed and should be changed.

I also would like to address the policy of how the certification hours are calculated. As a former board member, I am often contacted by many appraisers. If the information I've been getting as of late is true, then something is really broken. Do you really call people perjurers when the board never even told any of the certificate holders or licensees about its policies on renewal? I have not talked to one individual who remembers a letter or any other communication relating the board's policy of date specific compliance as opposed to birthday to birthday compliance until March of this year. I know I was never contacted or told about this. The communication, or frankly, the total lack thereof is troubling. I know you serve the public but you also have responsibility to your constituents as well.

Now, I do understand that there has been pressure from the Feds because of non-compliance. That was the case when we wrote the original law that was deemed "too tough" and "exclusionary" and they required us to rewrite it "or we will take away all the real estate loans in your State" or words to that effect. I also

believe that the lack of communication with your constituents is the basis of the non-compliance that I have heard about. I really don't think that it was intentional on the part of the people that you oversee. What I see as an over zealous attempt to prosecute, humiliate, and bully these people is not appropriate behavior for the Idaho State Appraiser Board. You really need to take a breath and sort this out in a more user friendly fashion. It seems to me that the board is doing a CYA here and not really addressing the problems at hand. A workable and realistic CE policy is what we need. Not vindictive prosecution of mostly people of good character.

In closing, I want to say that this letter is not written with the intent of malice or with any mean spirited point of view. What you do in governing on the board is difficult—believe me I know. But please take what I have written and think about it. There are problems and they can be solved without ruining people's reputations. I am including a signed petition that has been making the rounds here in the State as I generally agree with its tone and requests. Good luck and thanks for hearing me out.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'G. Koutnik', with a stylized flourish at the end.

Gary W. Koutnik, MAI, ARA, SRPA
Real Estate Appraiser & Analyst
Idaho Certified Appraiser # 2

PETITION – The Goal is for ID to Comply with AQB, ASC& ID Law; Appraisers to have Good Communication with ID. Board, to the benefit of The Public, Users of Appraisals & Appraisers.

LICENSE RENEWAL: The IBOL has taken the following actions:

Effective July 1, 2003 the law was amended to change the license renewal date from 6/30 annually to the licensee's birth date. AKA "Birthday – Birthday." Notification of this change was mailed to licensees, recently (about 3/07) the Board's interpretation of renewal date was changed from "Birth Date" to "Date of Renewal Application". No notice was given.

CONTINUING EDUCATION:

The CE requirement was originally 45 hours/3 years. This was changed in about 2004 to 15 hours per year. **No input was requested; no notice was given by the IBOL to licensees. The actual change date is unknown.**

CONTINUING EDUCATION AUDITS:

Previous CE audits for years 2005/2006 made in early 2007 were for a 2 year period. When the licensee showed a good faith effort an advisory letter was issued with no discipline. (Example: Licensee obtains more hours in one year and less the next, but has an overall total equal to the requirement for 2 years.) See Minutes for 2/26/07

Current CE audits are for one year only applying the 2007 definition of "renewal" although audits are retroactive to 2006. Audits received by the Board after 4/10/07 have discipline attached, not an advisory letter, even though the licensee shows the same good faith effort as above. "Discipline" versus an "Advisory Letter" is a significant difference since "Discipline" is permanently posted on the website and includes admission of perjury and a fine. The ASC recognizes the seriousness of a "False" Application vs a mistake in "Good Faith."

The above actions are harmful to the public, lenders, courts, and all users of appraisals. Further they are unfair to licensees who have acted in "good faith" to meet licensing requirements. Therefore we petition for the following changes:

- 1) Keep the CE cycle to 2 or 3 years. This will automatically allow for illness, active military duty, or family emergency. It will also allow credit for comprehensive classes of 30-40 hours, and it will work more effectively with CE requirements of other states and professional organizations. **Currently, the Appraisal Subcommittee Web-site, 4/18/07, has ID at 45 hours for a 3 year cycle.**
- 2) CE audit procedures for all licensees should be equal, with an advisory letter for those showing "Good Faith". Recent Audits have varied from: 1 year to 2 years, from closed & re-opened, to 1 year only.
- 3) When good faith is demonstrated by the licensee, the CE audit should be accepted with no discipline. "Good Faith" is defined as completion of 45 hours of CE within the past 3 years.
- 4) It is inequitable to change interpretation of rules in March of 2007 and expect compliance for 2005/2006, and attach discipline for non-compliance. When rules are changed, there should be prior notice given with a grace period for compliance and Specific Date of a new interpretation or rule.
- 5) In recent audits where discipline was assessed in spite of Good Faith efforts, CE audits should be reconsidered, to advisory letters and the required fine for expenses to IBOL, as done in Feb. 26, 2007, meeting.

WESTERN APPRAISAL & INVESTMENT COMPANY, INC. _____

6) Notice of Rule Changes should be mailed &/or, posted on the website under a "headline or category" to provide better communication with IBOL & licensees, currently communication is nonexistent.



Signature

Gary W. Koutnik CGA #2
Printed Name, License #

09/17/07
Date

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Printed Name, License #

09/17/07
Date

RECEIVED

SEP 25 2007

To: Idaho RE Appraisers, the Idaho REA Board, and Bureau of Occupational Licensing

Following is an outline of changes in the IREA law, rules or procedures that have resulted in misunderstanding, numerous failed CE audits, and Idaho's non-compliance with the ASC. This is coupled with a petition for proposed changes in an effort to resolve the current issues. We believe it is the board's responsibility to promote, encourage and facilitate compliance with CE, not employ it as a form of disciplinary opportunity against honest, ethical, hardworking appraisers.

License Renewal Law and Rules:

Effective 7/1/03 the law was amended to change the license renewal date from 6/30 annually to the licensee's birth date with notice by mail. Recently the Board's interpretation of renewal date was changed from "birth date" to "date of renewal application" with no notice given.

Continuing Education:

CE requirement was originally 45 hours/3years. This was changed in about 2004 to 15 hours each year. Actual change date is generally unknown as no clear notice was given.

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PETITION

To promote education, comply with regulatory agencies, and to create better communication between the IREA Board and Idaho licensed appraisers, we the undersigned petition for the following changes:

- 1) Clarify renewal and CE rules and provide notice of rule changes to licensees, allowing a grace period for compliance. Notice by direct mail is preferred, but if clearly identified, a designated area on the website could be sufficient. When making major rule changes, input from licensees should be considered.
- 2) Change the CE cycle to 2 or 3 years. This will allow for illness, active military duty, or family emergency. It will also allow credit for comprehensive classes of 30-40 hours, and will work more effectively with appraiser CE requirements of other states and professional organizations. Currently 48 or 50 states have an appraiser CE cycle of 2 or 3 years.
- 3) Review and equalize CE audit procedures and penalties. Recent actions where penalties were assessed should be reconsidered if the licensee has demonstrated a good faith effort. "Good faith" is defined as 45 hours of CE within 3 years.

Georgia Brown
Signature

Georgia Brown
Printed Name

9-20-07
Date

CRA-37
License Number

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Smthigden

Signature

Stephanie M Higden

Printed Name

Date

9-20-07 CRA-1959
License Number

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Printed Name

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Wendy Lyda Wendy Lyda 9-20-07 LBA-282